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TRANSIT TRANSPORT SYSTEMS IN SOUTHERN AFRICA: Issues, actions and constraints

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ABBREVIATIONS

ASAR	Association of Southern African Railways
BCG	Beira Corridor Group
BLNS	Botswana, Lesotho, Namibia, Swaziland
BR	Botswana Railways
C&F	clearing and forwarding (agents)
CFM	Chemin de fer Mozambique (Mozambique Railways)
CFM-Centre	Mozambican Central Railway System
CFM-Sul	Mozambican Southern Railway System
CMA	Common Monetary Area
COMESA	Common Market for Eastern and Southern African States
COMESA	Common Market for Eastern and Southern Africa
CVG	commercial vehicle guarantee
DWT	dead weight tons
ESAP	Economic Structural Adjustment Programme
HGV	heavy goods vehicle
HGVs	heavy goods vehicles
ICD	inland container depot
IDD	international direct dialling
IMF	International Monetary Fund
MCC	Malawi Cargo Centres
MCCL	Malawi Cargo Centres Limited
MEIRL	Malawi Export and Import Routes Limited
MITCO	Malawi International Transport Company
NRZ	National Railways of Zimbabwe
NTC	Northern Transport Corridor (Malawi)
NTFC	National Trade Facilitation Committee
POL	petroleum, oil and lubricants
PTA	Preferential Trade Area (for Eastern and Southern African States)
RCTD	Road Customs Transit Declaration
RIB	removal in bond
RIT	removal in transit
RMA	
RORO	roll on, roll off (cargo-handling)
RTOA	Road Transport Operators Association (Malawi)
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SATCC	Southern Africa Transport and Communication Commission
SR	Swaziland Railways Limited
TANZAM	
TAZARA	Tanzania-Zambia Railway Authority
TBL	through bill of lading
TEP	temporary exportation permit
TEU	ton equivalent units
THA	Tanzania Harbours Authority
TIP	temporary importation permit
TRAFIS	Trade Facilitation Information System (UNCTAD)
ZBR	Zaire, Burundi and Rwanda
ZR	Zambia Railways

PART ONE

OVERVIEW

INTRODUCTION

1. The southern African region comprises 11 countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. These countries belong to the economic grouping known as the Southern African Development Community (SADC). SADC's aim is to foster closer economic integration of the region. South Africa which had been excluded from this grouping for political reasons has now become a member of SADC as of 29 August 1994.

2. The open involvement of South Africa in the economy of the region will certainly have a profound impact on the economic situation of the southern African region. Six of the 11 SADC countries are land-locked: Botswana, Lesotho, Malawi, Swaziland, Zambia and Zimbabwe. Being open economies dependent on international trade but with long distances to maritime ports, the efficiency of the transit transport systems thus has a direct impact on trade competitiveness and therefore affects the general development prospects of the countries concerned.

I. TRANSIT CORRIDORS

3. Within the cooperation arrangements under SADC, six regional transit corridors have been designated for the purpose of movement of international traffic in the region. The transport corridors are designated according to the destination maritime ports and include the corresponding transport and communications systems along those corridors. The corridors are: Dar-es-Salaam, Nacala, Beira, Maputo, Lobito and more recently, Walvis Bay.

4. The main features of the corridors are described below.

Dar-es-Salaam corridor

- Tazara Railway linking Dar-es-Salaam with the Zambian Railways at Kapiri Mposhi;
- Zambian Railways between Lusaka and the Copperbelt;
- TANZAM highway linking Dar-es-Salaam with Zambia;
- "Northern Corridor" routes from Malawi to Dar-es-Salaam, using and adjacent to Lake Malawi.

Nacala corridor

- Nacala Railway linking Nacala with the Malawi Railways at Entre Lagos;
- Malawi Railways system.

Beira corridor

- Beira-Machipanda Railway to the Zimbabwe border;
- National Railways of Zimbabwe from Mutare to Victoria Falls;
- Zambia Railways from Livingstone to the Copperbelt;
- Zambian trunk roads network;
- Beira-Machipanda highway;
- Zimbabwe trunk road network;
- Nyamapanda-Zobue road between Zimbabwe and Malawi through Tete;
- Sena railway line linking southern Malawi with the Beira-Machipanda Railway line;
- Road between Changara and Vandusi in Mozambique.

Maputo corridor

- Limpopo railway line linking Maputo with southern Zimbabwe;
- Maputo-Ressano Garcia railway line connecting with the South African railway system (Spoornet);
- Goba railway line linking Swaziland with Maputo;
- Mozambique roads linking Maputo with Naamacha (Swaziland) and Ressano Garcia (South Africa).

Walvis Bay corridor

- Namibian Rail system;
- Trunk road system of Namibia;
- Trunk road system of Botswana;
- Trunk road system of Zambia and Zimbabwe.

Lobito Corridor

- Benguela railway line linking Lobito with the Shaba province of Zaire;
- Zaire railway system in Shaba province;
- Zambian railways in the Copperbelt.

South African corridor

5. The South African transport systems leading to the ports of Durban, Port Elizabeth and Cape Town are important to the SADC countries as these ports handle a significant proportion of the international traffic of the countries concerned, including Zaire. Two South African transport systems are important in this respect, Portnet (responsible for management of ports) and Spoornet (the railway network).

6. SADC railways also hire locomotives and wagons from Spoornet on an ongoing basis. As a result, there is a regional cooperative arrangement whereby representatives of all the SADC railways meet at least once a year to discuss operational issues related to the smooth operation of the railways. The southern African railways of South Africa, Swaziland, Botswana, Mozambique, Zimbabwe, Zambia, Namibia and Angola have the same railway gauge of 1,067 millimetres. This allows their rolling stock to operate throughout the southern African network. TAZARA also has a similar gauge. This was a specific conditionality at the time of construction of the railway so as to ensure compatibility with the Zambian system.

II. TRANSIT COUNTRIES AND PORT FACILITIES

7. The southern African subregion has four maritime countries providing port facilities to the remainder. Together there are six ports handling international traffic. The ports are Dar-es-Salaam in Tanzania; Nacala, Beira and Maputo in Mozambique; Walvis Bay in Namibia, and Lobito in Angola.

Port of Dar-es-Salaam

8. The port of Dar-es-Salaam is Tanzania's major port. It serves the southern African countries of Tanzania, Zambia and Malawi and also the ZBR countries (Zaire, Burundi and Rwanda) of central Africa. The port is administered by Tanzania Harbours Authority (THA).

9. The port of Dar-es-Salaam has 440 metres of quay and a back-up area consisting of 11 hectares and two transit sheds with 4,850 m^2 of floor space. The break bulk facilities consist of eight berths totalling 1,464 metres in length. Covered storage amounts to 78,000 m^2 and open storage 82,000 m^2. Container terminal facilities occupy berths 9, 10 and 11 with a total length of 550 metres. Container terminal capacity is estimated at 75,000 TEUs (ton-equivalent units).

10. Dar-es-Salaam has facilities for handling crude oil. These facilities can accommodate oil tankers of 100,000 dead weight tons (DWT). Refined oil products are handled at the Kurasini Oil Jetty which can accommodate vessels of 30,000 DWT. Dar-es-Salaam port has an estimated capacity of 2.0 million metric tons.

Port of Nacala

11. The ports and railways of Mozambique are operated by CFM - EE (Mozambique Ports Railways). The general cargo handling quay at Nacala is 618 metres long. The storage area is made up of 20,000 m^2 covered and 80,000 m^2 open. The port can also handle POL (petroleum, oil and lubricants). The container

terminal capacity is 35,000 TEUs per year. The container terminal quay is 375 metres long and quayside depth is up to 15 metres. The port of Nacala has an estimated capacity of 1.0 million metric tons per year and serves Mozambique and Malawi.

Port of Beira

12. The port of Beira handles traffic for Mozambique, Malawi, Zambia and Zimbabwe. The port has a capacity of 2.5 million metric tons. Beira has 10 berths, of which 7 are general cargo, one, a RORO and container berth, and one a coal berth. The total length of these 9 berths is 1,632 metres. The tenth berth is the fishing harbour which offers 160 metres. The port has a pre-cooling plant with storage capacity of 60,000 cartons and 490 tons of meat products. A new oil terminal was under construction and scheduled for completion in 1993. It is expected to handle 1.45 million metric tons of fuel annually. Beira has a container terminal with a capacity of 35,000 TEUs.

Port of Maputo

13. The port of Maputo serves Swaziland, South Africa and Zimbabwe. The main quay length is 3,375 metres with quayside water depth of 12.98 metres. The port of Maputo includes Matola which has bulk-handling facilities. The total port capacity, including Matola, is 6.6 million metric tons annually. This includes: general cargo, 1.4 million metric tons, POL, 450,000 metric tons; coal, 1.8 million metric tons; and others. Storage capacity holds: 250,000 metric tons general cargo; 33,000 tons molasses; 200,000 cartons of citrus products; 140,000 metric tons of sugar; 100,000 metric tons steel, and 696,000 metric tons of coal. Maputo has a container handling capacity of 500,000 metric tons with a storage capacity of 1,000 TEUs.

Port of Lobito

14. The port of Lobito traditionally serves Angola, Zambia and Zaire. However, the port is currently unavailable to Zambia and Zaire. Lobito has six berths. Total quay length is 1,122 metres. There is also a coastal quay of 155 metres. Lobito has a potential capacity of about 2.5 million metric tons annually. Covered storage is about 27,640 m^2 while open storage amounts to 69,000 m^2. Cold storage facilities have a capacity of about 1,2000 m^2. The port has a grain silo with a capacity of 20,000 metric tons.

Port of Walvis Bay

15. Walvis Bay serves Namibia and Zambia and can also serve parts of Angola. The port has a capacity of about 1 million metric tons. The total number of berths is eight with a quay length of 1,400 metres. Walvis Bay has facilities for general cargo, containers and POL products. The port is currently operated by Portnet.

III. RESOURCE MOBILIZATION

16. The southern African subregion has a unique mechanism in the form of SADC, which has greatly assisted resource mobilization efforts. The transport

arm of SADC, SATCC is responsible for mobilizing resources. Within this framework, national Governments submit projects to SATCC for possible consideration by donors. However, before projects are included in the regional programme, they must meet predetermined criteria, the most important of which is that they must be of a regional nature and benefit more than one country.

17. Once accepted, priorities are set for the projects which are linked to each of the six transport corridors. Thus, the projects are submitted to donors not as individual projects but as integrated entities. This helps in evaluating the impact of an individual project on the overall transport system of the subregion. This approach, coupled with the technical preparatory work that is undertaken for each project, explains the relative success of SADC in resource mobilization.

18. The total SATCC portfolio of projects comprises nearly 200 projects estimated at US$ 5.25 billion. Of this amount, US$ 2.16 billion has been secured; some projects have been completed while others are still under way. The transport network picture is somewhat distorted by the fact that there has been relatively poor response from donors on funding civil aviation projects. For ports, railways and road improvement projects, the rate of resource mobilization has been about 70 per cent. It is important to note that secured funding of course excludes funding under negotiation.

19. The following is a brief summary of the position of each transport corridor:

Dar-es-Salaam Corridor There are seven main projects totalling US$ 631 million, of which US$ 432 million, or 68 per cent has been secured.

Nacala Corridor The main projects are five, at a cost of US$ 362 million. Of this US$ 282 million, or 78 per cent, has been secured.

Beira Corridor There are seven major projects in the Beira Corridor with sub-projects. The total cost of the projects is US$ 666 million, of which 51 per cent, or US$ 340 million, has been secured.

Maputo Corridor The Maputo Corridor has 21 projects at a cost of US$ 968 million, of which US$ 357 million, or 37 per cent, of the funding has been made available.

Lobito Corridor The Lobito transport system has six main projects with several sub-projects. This includes projects for the port of Luanda. The total cost is US$ 578 million. This corridor has the least amount of funds secured, only US$ 30 million or 5 per cent. This situation is mainly because the port of Lobito operates at marginal capacity, servicing only the needs of Angola. It is not accessible to other countries owing to the security situation currently prevailing in Angola and the closure of the Benguela railway which links Zaire and Zambia to the port of Lobito.

Walvis Bay Corridor Namibia joined SADC in 1991. Consequently, projects for the port of Walvis Bay and corresponding transport systems are still under consideration. Furthermore, the status of Walvis Bay is still under discussion between the Governments of Namibia and South Africa.

Other projects SATCC has another group of projects known as Intra-Regional Surface Transport Projects. These are not directly linked to any corridor transport system, of regional significance, despite their national nature. There are 31 such projects totalling US$ 749 million. Of this total, USA$ 240 million or 32 per cent has been secured.

IV. SUBREGIONAL INSTITUTIONAL FRAMEWORK FOR TRANSIT TRANSPORT

20. The southern African subregion has an effective institutional framework for addressing transit transport issues and constraints on a collective basis within the framework of SADC. Under SATCC, there are specialized subsectoral working groups dealing with railways, roads and road transport, ports and shipping. These subsectoral groups are known as Working Groups. There are other specialized groups in such areas as meteorology, telecommunications and postal services.

Railways The Working Group on Railway Administration involves railway chief executive officers and technical, traffic and commercial and training experts from the nine SADC railways networks. The group considers such issues as projects, interchange arrangements, through-traffic movements, rules and regulations and other aspects of facing railway performance in general.

The Southern African railways, with the exception of TAZARA, do not operate full trains across each other's borders; in practice, only locomotives are exchanged at borders while wagons go through. This results in a complex system of billing, inter-railway accounting and payments, not to mention wagon monitoring and control. Inter-railway agreements existing among the railways address these issues. In addition, there are regular technical meetings at the regional level and between individual railways. Apart from the working group meetings, SADC railways have another forum where they meet on a regular basis with Spoornet, the South African railways, to address operational issues.

Roads The Working Group on Roads and Road Traffic involves ministries of Transport, ministries responsible for road construction and maintenance, roads departments and road licensing authorities. This group considers such issues as axle load limits and enforcement thereof, licensing, common road signs, transit charges, bilateral road transport agreements and related issues. A recognized shortcoming is that this group does not yet involve actual transport operators.

Ports and shipping This specialised Working Group involves port authorities, clearing and forwarding (C&F) agents and relevant government ministries. It deals with a number of issues, including, port utilization, documentation and procedures in ports and maritime related-projects.

Ministerial Group The advantage of sectoral working groups is that issues and projects receive detailed consideration at the technical level before being presented to Ministers at the political level for final decisions. Likewise the system can also work in reverse. Ministers can moot an idea which is then channelled down to the specialized working group for further refinement before further consideration by the Ministers.

21. Proposals of the specialized working groups requiring decision are submitted to the Coordinating Committee, composed of Principal Permanent Secretaries of Ministers of Transport. This composition is deliberate to ensure that Governments are represented at the highest level so that decisions can be taken at meetings and not invariably referred back to Governments. The Coordinating Committee reports to the Committee of Ministers involving the 10 Ministers of Transport of the 10 SADC countries. This is the highest policy body at the level of the subregion in matters of transport and communications.

V. REORIENTATION OF TRANSIT POLICIES

22. One of the major objectives of SADC had been to reduce dependence on South Africa in both trade and use of that country's transport systems. This policy has had to be redefined in the light of the changed circumstances. The lifting of economic sanctions against South Africa by the international community and membership of South Africa in SADC is likely to change trading patterns, with SADC countries sourcing their imports more from South Africa and away from overseas markets. This will entail increased use of South Africa's transport systems.

A. Infrastructure upgrading

23. The destabilization policies pursued by the then apartheid South Africa led to route closures as a result of insecurity and destruction of transport infrastructure and facilities in the rest of southern Africa. Throughout the 1980s, therefore, the strategy of SADC through its specialized transport organ, the Southern Africa Transport and Communications Commission (SATCC) based in Maputo, Mozambique, was to rehabilitate infrastructure, upgrade facilities and re-equip port, railway and road systems. This strategy received considerable donor sympathy and support and was largely successful.

B. Efficiency improvement

24. As most infrastructure upgrading programmes are completed, emphasis in the 1990s has shifted towards improvement of the efficiency of the region's transit transport systems. Furthermore, as the political situation stabilizes and more transit corridors become available to land-locked countries, routing decisions now largely reflect commercial considerations rather than government allocation. Owing to the relative efficiency of South Africa's transport systems coupled with better infrastructure and facilities, there is likely to be a shift of overseas traffic from SADC to South Africa's ports.

25. There will probably also be more competition on transit corridors, putting pressure on enterprises to be more profitable. Although this is likely to work in the interest of users, through improved quality of service and quicker transit times, overall some of the economies of SADC may suffer

from gross under-utilization of newly rehabilitated transport facilities, thus, impinging on the returns on the considerable investment made.

VI. REGIONAL EFFORTS TOWARDS HARMONIZATION OF TRANSIT POLICIES AND PRACTICES

A. General

26. Southern Africa has three regional groupings with an overlap of membership and, in some instances, programmes. All have an impact on transit transport policies and practices and therefore on the overall efficiency of the region's transport system. The Southern African Customs Union (SACU) covers South Africa, Botswana, Lesotho, Namibia and Swaziland. All the members of SACU belong to SADC, which is an eleven-country grouping. Of the SADC countries, all but Botswana, Lesotho and South Africa also belong to the Preferential Trade Area for Eastern and Southern African States (PTA) which is a larger economic grouping comprising east African, southern African and island countries. The PTA has 21 member countries.

B. Institutional limitations

27. Although a lot of work has been done by the various regional institutions in seeking to harmonize transit policies and practices, implementation has been a major constraint. This is a result of institutional capacity weaknesses regionally and at the national level and the absence of effective cooperative arrangements among countries which would define in more specific terms the obligations of individual countries towards implementing regional policies.

28. Implementation of agreed regional measures and their enforcement would be strengthened if an appropriate legal framework were in place to support various transit policies and measures. Unfortunately, this is missing and each country has its own national legislation covering various modes of transport. However, this state of affairs is being redressed. The PTA Treaty has been renegotiated into a Common Market for Eastern and Southern African States (COMESA), which was signed by Governments in early 1994. In southern Africa, SADC has moved from a coordinating mechanism to an economic community following the signing of the SADC Treaty in August 1993. All these measures are intended to ensure that the regional groupings have the necessary legal mandate to executive policies and programmes.

29. As part of the formation of the southern African economic community, protocols are being negotiated in a number of sectors, including transport. The process involves consultations with relevant institutions in the public and private sectors, as well as defining the legal and institutional framework for compliance and enforcement. This process is being coordinated by SATCC and it is expected that the protocols will be ready for signature by Governments by August 1995.

C. Regional standards

30. Transit transport operations are hampered by an absence of effective regional standards. Although considerable technical preparatory work has been undertaken, there is little harmonization of such aspects as: infrastructure and equipment standards and specifications; documentation and procedures;

customs practices; border posts' operations; and generally, transport operating procedures.

31. Even where regional standards have been agreed on, compliance and enforcement have been weak. Countries often emphasize national rather than regional interests. When difficulties arise, the tendency has often been to fall back on national sovereignty responses rather than find regional solutions. Such factors have had an adverse effect on implementation of regional measures intended to improve transit efficiency.

D. Transit measures in place

32. Several measures have been implemented to improve transit efficiency. Some are working successfully while others continue to require additional support and backstopping, and yet others are still under discussion.

1. Regional motor vehicle insurance scheme

33. The Third Party Motor Vehicle Insurance Scheme or "Yellow Card" as it is commonly known, has been operational in the region for a number of years under the auspices of PTA. Under the scheme, motor vehicle insurance to cover third party liability is purchased in the originating country and is valid in as many countries as the motorist wishes to cover, provided that these countries are members of the scheme. In southern Africa, all countries except South Africa, Botswana and Lesotho are members of this scheme.

34. Each country has a bureau, normally an established insurance company, which administers the scheme. In the event of an accident, the motorist has only to contact the bureau in the respective country for assessment of damage and settlement of the claim. The paying bureau then bills the originating bureau. Physical transfer of funds is rare as bureaux maintain accounts with each other which tend to balance out.

35. The advantage of such a scheme is that the motorist pays the insurance in his country of residence in local currency and avoids any delays and inconvenience of carrying foreign currencies and making payments at each border post. More importantly, in the event of an accident in a foreign country, the capacity is available for damage assessment, payment of liability and other administrative support without which the motorist would be in a difficult position. This regional system has been very successful. Negotiations are under way to extend the coverage of the scheme so as to make it more comprehensive. The bureaux meet periodically at regional level to review the operation of the system.

2. Harmonized transit charges

36. Most countries in the region have had their own system of charging foreign vehicles for the use of their roads. This included entry fees, toll fees, fuel surcharges and other payments. In addition, each country had its own charging and revenue collection system. This created considerable difficulties for transporters engaged in cross-border operations, particularly where more than one country had to be traversed.

37. The region now has a harmonized system of transit charges under PTA. This system harmonizes levels of charges and replaces all national charges with a regionally accepted standard. The system has been accepted by 18 countries in eastern and southern Africa and is operational in most of them.

38. A flat rate of US$ 8 per 100 kilometres of trunk road traversed has been agreed upon as the standard. This rate is based on road maintenance costs and road damage attributable to heavy goods vehicles (HGVs). Most countries have introduced coupons which can be purchased in advance directly or through agents. Some countries, although signatories to the PTA treaty, still administer their own national charges while others have opted to charge double the agreed rates. However, these are exceptions.

39. This is a technically complex subject and there are still outstanding issues. One concern is the technical feasibility of the methodology used to determine the levels of charges. Another is how to maintain equity and ensure that revenues realized are channelled back into improving road standards and facilities. These issues are being addressed.

3. Regional carriers licence

40. The PTA carriers licence has been accepted as a regional standard. The licence is intended to replace with a common regional standard various trip permits and other national licensing requirements for foreign transporters. It also replaces various national payments for permits and licences with standard regional levels. A number of countries have ratified the scheme and are implementing it.

41. However, there has been in some countries resistance to the scheme from national road transport operators. The carriers licence is a shift from national quotas or reciprocal licensing systems to a quality system. Under the scheme, a licence is issued to a foreign operator provided set criteria are met. This does not take into account market share. It is a form of deregulation which explains the resistance from operators at the national level. Discussions are under way on measures to improve the operation of the system.

4. Road Customs Transit Declaration

42. The Road Customs Transit Declaration (RCTD) is a regional document intended to facilitate the movement of transit traffic. It replaces national customs documents and avoids the need for vehicles in transit to complete fresh documents at each border post.

43. The RCTD has gone a long way towards alleviating problems encountered by drivers at border posts. With the RCTD, the documentation is completed in the originating country and the driver simply deposits a copy at each border post transitted. This has reduced delays at border posts considerably.

44. Nevertheless, compliance is not complete, as some countries still rely on national customs documents alongside the RCTD which it was intended to replace. Such national documents include: removal in bond (RIB), removal in transit (RIT), the temporary importation permit (TIP), temporary exportation permits (TEP) and commercial vehicle guarantee (CVG).

5. Border posts operations

45. The SADC region has about 15 border posts handling international traffic. Border posts have been a major constraint in the movement of international traffic. The problems encountered relate to uncoordinated working hours between adjacent borders, administrative delays, cumbersome clearance procedures and unstandardized documentation.

46. The UNCTAD executed project on transit traffic and support to the transport sector in southern Africa, based in Blantyre, Malawi, covers 10 countries of SADC. The project has gone a long way towards addressing transit and trade facilitation constraints facing the region. Some progress has been made in improving border posts operations.

47. General agreement has been reached at regional level to open border posts handling international traffic from 0600 hours to 1800 hours seven days a week. Some countries such as Malawi and Zambia already offer 24-hour operations for private traffic while restricting commercial traffic to daylight operations only, that is 12 hours from 0600 hours to 1800 hours. The aim is to extend this level of operation to all borders where traffic justifies it. There has also been an improvement on clearance rates at most border posts.

6. Bilateral agreements

48. A number of countries in the region have concluded bilateral road transport agreements to regulate movement of international road traffic between the respective countries. However, the effectiveness of these agreements has been limited.

49. The limiting factors are many. The most critical is the lack of an effective institutional framework for the administration of the agreements. Others include: inadequate enforcement provisions; limited involvement of actual operators in the negotiations process, with the result that the agreements may not be directly relevant to the day-to-day needs of operators; and poor commitment by contracting parties to honour the provisions of such agreements where they may conflict with national interests.

50. With the introduction of the PTA carriers licence and measures aimed at developing regional standards in the road transport industry, the relevance of bilateral road transport agreements is becoming marginal. A more feasible alternative would be to negotiate a regional framework for road transport operations.

7. Through-invoicing of railway traffic

51. A success story in facilitating transit traffic is the through-invoicing of railway traffic. All railways in southern Africa are interconnected and have a uniform gauge. It is, therefore, possible to run trains through from one country to the other.

52. The problems encountered earlier in through-invoicing and through-billing of traffic are being overcome. A common standardized document - the combined railway consignment, advice and delivery note - has been adopted by all SADC

railways and has replaced individual railway documents, thus facilitating through-invoicing of traffic. The document was designed and implemented with the assistance of UNCTAD.

53. In addition, southern African railways including Spoornet, the South African railway system, have a sophisticated inter-railway system which enables pre-payment of freight charges even when the consignment has to traverse a number of railway systems.

8. Liberalization of foreign exchange controls

54. Most countries in southern Africa have liberalized foreign exchange management, leaving foreign exchange allocation to market forces. This has been beneficial to transit operations. Operators involved in the transit business, such as clearing and forwarding agents, transporters and shippers, are now able to obtain foreign exchange to meet their operations without complicated central bank approval processes which were hitherto the norm.

55. As a result of this liberalization, most countries have also abolished the requirement for foreign currency declarations including accompanying documentation; consequently, the resulting delays, complications and frustrations have been eliminated.

9. Trade facilitation committees

56. A major institutional framework put in place in the region is the creation of National Trade Facilitation Committees (NTFC). The NTFC is a coordinating mechanism that has been established in some SADC countries to address issues affecting the efficient conduct of trade.

57. The mandate of the NTFCs is broader than merely facilitating transit traffic; they also address issues related to trade procedures including import/export controls, customs documentation and procedures, payments arrangements and, generally, factors that affect the conduct of trade.

58. Where they are operational, NTFCs have been successful in fostering dialogue between Governments and the private sector and simplifying cumbersome customs and administrative practices that inhibit the efficient conduct of trade. NTFCs are functional in Malawi, Namibia, Swaziland, Tanzania and Zambia. UNCTAD has assisted Governments to set up these committees and has provided financial support for their operation. However, continued donor support is necessary before these committees can operate on a self-sustaining basis.

E. Planned measures

59. In addition to the foregoing, a number of measures are also under discussion or planned which will have an impact on the performance of the transit transport systems of the region.

1. Corridor groups

60. During the Drought Emergency in southern Africa (DESA) in 1992 when over 10 million metric tons of food imports had to be moved through the

region's transport system, a critical institutional measure which greatly facilitated coordination of this major and complex operation was the setting up of corridor groups.

61. A corridor group was designated for each major transport route or corridor. The corridor group comprised shippers utilizing a particular route, transport operators, (that is railway administrators, road operators, port authorities, C&F agents and others) and relevant government departments. The corridor group was the coordinating mechanism responsible for planning and management of each transport corridor to ensure the smooth flow of traffic. A major role was, therefore, to anticipate operational bottlenecks and resolve them in time.

62. A corridor group was set up for each major maritime port. There were seven major corridor groups covering Dar-es-Salaam port in Tanzania (serving Malawi, Tanzania and Zambia), Nacala port (Malawi, Mozambique), Maputo port (Mozambique, Zimbabwe), Beira port (Malawi, Zambia, Zimbabwe), South African ports (Lesotho, Swaziland, Botswana, Malawi, Zambia, Zimbabwe), Walvis Bay (Namibia, Zambia) and Lobito port (Angola).

63. In view of the effectiveness of these groups, a decision was taken at Governments level to maintain them as permanent institutions. The Beira Corridor Group (BCG) has operated as a permanent institution since 1988, served by a secretariat. An operational coordinator centre (OPC) has been set up to coordinate the southern routes to South African ports. Donor support is sought to institutionalize the other corridor groups.

2. Regional associations

64. With most countries in southern Africa now pursuing liberalized economic policies, the business community has played a more prominent role in regional initiatives because regional policies are having a more direct impact on trade operations.

65. All southern African countries have an association at national level which represents the interests of the road transport operators. A move has been made to group these national associations into a regional association of road transport operators. Thus far, the associations have held three meetings at regional level since 1992 as part of the process of creating a permanent regional association. This will enable the operators themselves to have a say in the formulation of regional policies.

66. An association of Southern African Railways (ASAR) is also being planned. The aim is to have a regional framework to coordinate various areas aimed at improving railway efficiency. These areas include: interchange arrangements, through working of trains, common standards, harmonization of freight nomenclature and costing systems and related measures. Southern African railways have over the years been meeting in a regional framework through meetings of the SADC railways administrations and inter-railway working groups. The ASAR is expected to be a permanent autonomous institution combining the activities of the two groups and managed by the railways themselves.

3. Harmonization of regional standards

67. A lot of preparatory technical work has been undertaken and discussions are continuing among Governments and transport operators on harmonization of standards with a view to defining regional norms. Areas currently under consideration include: axle load limits; vehicle lengths and dimensions; weighbridge procedures and enforcement; road construction standards and signs; legislation; driver licensing; safety standards; and training. The eventual aim is to create a coordinated, harmonized and standardized road and railway transport network and operating system encompassing the whole of southern Africa.

4. Development of dry ports

68. UNCTAD, through its regional project based in Blantyre, Malawi, has over the years been providing technical assistance to southern African countries to set up dry ports (inland container depots) as a means of facilitating quicker movement of international traffic to and from the maritime ports by reducing transit times and associated costs. This is in recognition of the fact that, despite the growth of containerization worldwide and its advantages, the region has not fully benefited from containerization. Apart from high transit times and associated visible and invisible costs, container management is generally poor. This leads to high detention time of containers resulting in punitive charges by container owners all of which have to be borne by the shipper and eventually have to be absorbed by the regional economy in foreign exchange.

69. In most SADC countries, there is a proliferation of small private container depots without central facilities for large-scale consolidation and distribution of containers. The systems and corresponding documentation and procedures are inadequate and, in most instances, shipowners are reluctant to issue TBLs to inland destinations.

70. Dry ports are functional in Lesotho and Swaziland. There is keen interest to establish them in other land-locked countries, namely Botswana, Malawi, Zambia and Zimbabwe. A lot of preparatory work has been done in these countries but donor support is necessary to set up such facilities supported by appropriate management training. Furthermore, the institutional, legal and operational framework for the operation of dry ports needs to be defined. These issues are best addressed in a regional technical advisory project for which donor support is necessary at the initial stage.

VII. MANAGEMENT OF TRANSIT SYSTEMS

71. A pre-requisite to improving the efficiency of transit systems is to have the appropriate institutional framework supported by the necessary expertise and information systems both at the regional and national levels so as to manage effectively the transit systems. Unfortunately, such a framework is lacking in most of southern Africa.

A. Capacity limitations

72. There are capacity limitations affecting both public and private sector institutions. Key government departments, such as ministries of transport,

transport licensing authorities and directorates of roads, with an impact on transit traffic operations do not have appropriate structures to play an effective leading role in promoting transit efficiency. This is compounded by inadequate resources and lack of expertise, particularly at the policy formulation and analytical levels. Likewise, the private sector does not have the capacity to formulate and provide meaningful policy alternatives to Governments.

73. The solution lies in providing assistance to Governments to create the necessary institutional capacity. However, this is a long-term undertaking. In the short term, a viable solution would be to have specialized donor-funded projects to provide specialized technical assistance support. Such a framework already exists through regional projects, such as the UNCTAD project based in Blantyre. However, care must be taken to ensure that any external support is not simply duplicating local efforts in parallel but rather offers specialized projects integrated into regional and national structures so as to ensure their long-term sustainability.

B. Information limitations

74. Although work is continuing on developing regional databases for transport and trade, the information needed is not yet readily available to policy-makers, managers, planners and the business community generally in order to facilitate effective management of the transit systems. Furthermore, such information systems tend to contain historical data rather than the current data required for day-to-day management.

75. UNCTAD is attempting to bridge this gap through the development of the Trade Facilitation Information System (TRAFIS). TRAFIS is being developed as a current information system to provide policy-makers, planners, managers, shippers and operators with information on the status of transit corridors and other data to facilitate trade. Such information includes: the state of transport corridors, administrative practices, transit documentation and procedures, transit charges, customs requirements, trade practices and restrictions, among other information. To be effective, TRAFIS requires a timely system for updating and dissemination of data to users and feedback from them.

C. Legal framework

76. The negotiation of protocols in transport and trade within SADC is intended to create a basis for regional policies, practices and standards. Currently, the basis for the legal framework for addressing transport and trade issues is national. However, national legislation has not kept pace with regional developments let alone international conventions. It is not unusual for countries to enter into regional agreements or accede to international conventions which are in conflict with national legislation.

77. An effective legal framework governing transit systems at the regional level would facilitate compliance with regional agreements and also enable better enforcement of measures.

VIII. CONCLUSION

78. A lot of work has been done by individual countries themselves, regional institutions and donor-supported projects to improve transit traffic facilitation and efficiency in southern Africa. However, measures that have been put in place need to be consolidated and those being implemented need strengthening if positive progress is to be made. Despite the goodwill, countries lack the necessary resources to deal with the many constraints inhibiting the efficient performance of international transit corridors and conduct of trade generally. Donor support is, therefore, essential if each of the countries concerned and the region, generally, is to put in place an efficient transit traffic system that will strengthen their institutional capacities in the long run.

PART TWO

COUNTRY PROFILES

I. BOTSWANA

A. Importance of transit trade

79. Botswana's economy is wholly dependent on foreign trade. With a very marginal manufacturing base, the largest single export is diamonds, accounting for about 80 per cent of total export earnings. Others are meat and meat products and copper/nickel matte. These three account for 92 per cent of total export receipts thus emphasizing the high export concentration. Main imports, largely from South Africa, are food, beverages and tobacco; fuel; chemicals and rubber products; textiles and footwear; metal and metal products; machinery and electrical equipment and vehicles and transport equipment. The direction of trade is overseas, particularly exports to western Europe, Japan and North America. South Africa is the major source of imports. Botswana's trade with other African countries is marginal.

80. Botswana belongs to the South African Customs Union (SACU), a common market whose other members are: Lesotho, Namibia, South Africa and Swaziland. No customs duties are levied within SACU. Customs revenues accruing from imports into the Union are maintained in a pool and apportioned according to a pre-determined formula. Unlike the three other countries, Botswana does not belong to the Common Monetary Area (CMA) or Rand Monetary Area (RMA) with South Africa.

81. Botswana is a member of the ten-country economic grouping, the southern African Development Community (SADC). It is also the host country of the Community's headquarters in Gaborone, the capital. Botswana is not a member of the larger Preferential Trade Area for eastern and southern African States (PTA), based in Lusaka, Zambia, which has about 20 member countries.

B. Transit regimes

1. Routing and distribution of traffic

82. Botswana's access routes for international trade are through South Africa. Traffic distribution information in terms of tonnage is difficult to ascertain for the region. Most foreign trade statistics are maintained in monetary values rather than in volume. Information on route and traffic distribution is based on the SATCC Regional Transport Operations Plan (Canadian Transport Technical Services - April 1990). The model had made traffic distribution forecasts for 1992 based on the assumption that South African ports and transport systems would remain available to the SADC countries and trade would be normal.

83. According to the forecast, 82 per cent of Botswana's traffic would transit South Africa while only 18 per cent would use other ports in the region, notably, Maputo port in Mozambique and corresponding transport systems in Zimbabwe and Mozambique. The proportion of import traffic transiting or originating from South Africa vis-à-vis other countries is similar.

Botswana traffic distribution

(thousand tons)

	Total	South African ports			Mozambican ports		
		Road	Rail	Total	Road	Rail	Total
Exports	71	28	30	58	-	13	13
Imports	65	7	46	53	-	12	12
Total	136	35	76	111	-	25	25

84. Botswana's main international access routes involve road and railways. Botswana has a single railway line operated by Botswana Railways (BR) linked to the South African railway system (Spoornet) at Ramatlabama and to the National Railways of Zimbabwe (NRZ) at Ramokqwebana.

85. With respect to road access, Botswana has five major outlets. To connect with Zimbabwe - at Pandamatenga and Ramokqwebana/Plumtree - and one with Zambia via the ferry at Kazungula on the Zambezi River. These routes handle very little of Botswana's own trade but largely serve the transit of Zambia and Zimbabwe imports. The other links are the road routes to South Africa by Mmabatho and Mafeking and Tlokweng. These two handle considerable international traffic for Botswana.

2. Transit infrastructure and facilities

86. Botswana's transit infrastructures and facilities include:

Railways: Botswana Railways (BR) is a single line running from the border with South Africa to the border with Zimbabwe, a distance of 640 kilometres. The railway was operated by NRZ until 1987 when it became a wholly owned national railway. There are two railway spurs, to the coal mine at Morupule (15 km) and the copper-nickel mine at Selebi-Phikwe (56 km).

BR has 817 wagons, 38 passenger coaches, 31 locomotives and a staff strength of 2,079. The headquarters is in Gaborone.

Roads: The north-south road, Botswana's main artery stretches from Ramatlahama in the south-east, on the border with South Africa, on to Gaborone, then to Francistown in the north-east and on to Kazungula by ferry across the Zambezi River, a distance of about 1,200 km. The other roads - from Gaborone to Tlokweng on the South African border; Francistown to Ramokqwebana bordering Zimbabwe; Kazungula to Pandamatenga - all branch off from this main artery. All these Botswana roads have high-quality asphalt surfaces.

Waterways: Botswana has no waterways, being a semi-arid country.

Ports: Botswana is land-locked and has no ports.

Communications: Botswana has a modern telecommunications system with direct dialling facilities (IDD) to most destinations in the world. The country also has a modern international airport handling domestic, regional and intercontinental flights in Gaborone at Sir Seretse Khama Airport. Telecommunications facilities are provided by Botswana Telecommunications Corporation.

Container depots: Container depots in Botswana are in Gaborone and Francistown; these are privately owned by clearing and forwarding companies, notably MANICA. Botswana was the first of the SADC countries to embark on the construction of a purpose-built inland container depot (ICD) or dry port, in Gaborone. The project is being financed by DANIDA (Danish International Development Agency).

3. Suppliers of transit services

87. Botswana's railway system is wholly owned and operated by the Government of Botswana through Botswana Railways Limited. Botswana has no publicly owned road transport companies; these are all in the hands of the private sector.

88. The clearing and forwarding business is also in the hands of the private sector. Among the major ones are MANICA Freight Services Limited, Walford Meadows and others. There are associations for both the road and clearing and forwarding operators. These are: the Botswana Road Transporters Association and the Clearing and Forwarding Association.

89. Botswana's major exports are meat and diamonds. For such commodities air transport plays an important role in the country's international trade. The country has a national carrier, Air Botswana, which operates only regional services. International services are provided by other carriers.

4. Legal framework and institutional arrangement

90. Like most countries in the region, the legal framework for the operation of transport services in Botswana is governed by a number of legal acts. These include, the Railways Act, the Civil Aviation Act and the Road Traffic Act. In addition, Botswana together with Lesotho and Swaziland have a Memorandum of Understanding on Road Transport with the Republic of South Africa, which became effective in January 1991. The Memorandum seeks to reduce the dominance of South African operators in the road haulage industry by ensuring an equitable distribution of traffic.

91. Botswana has bilateral working agreements with Spoornet and NRZ. Botswana and Zimbabwe were also negotiating a bilateral road transport agreement. A bilateral road transport agreement exists between Botswana and Zambia.

92. Not being a member of PTA, Botswana is not a party to the regional agreement on road transit charges. However, as a member of SADC, specifically SATCC the specialized arm of SADC in transport, Botswana is a party to a number of regional undertakings on standardization and harmonization of axle loads, road signs, licensing practices, etc.

5. Government transit policies

93. Government transit policies are coordinated by the Ministry of Works, Transport and Communications in line with regional developments. Although a global transport study was carried out in 1993 and a number of other modal studies done, Botswana, like most countries in the region, does not have a coherent transport policy framework.

6. Formalities, procedures and documentation

94. In relative terms, Botswana has few problems with regard to formalities, procedures and documentation. This is in part owing to the fact that Botswana adheres to SACU and within SACU procedures and documentation are largely standardized.

95. However, as the political situation in South Africa unfolds, Botswana is seeking to expand trade with non-SACU members in the region; this is likely to create some problems with respect to formalities, procedures and documentation. Institutional structures need to be put in place to address the eventual issues.

C. Transit constraints

1. Physical

96. Botswana has few physical transit constraints. The country's transport system is adequate to meet the demands of Botswana's own traffic as well as transit traffic to neighbouring countries. Prevailing physical constraints are investment-oriented and are related to upgrading of transport infrastructure and construction of missing links to neighbouring countries, such as Namibia. The ferry at Kazungula is a major constraint for through international traffic to Zambia on a fairly busy route. Other constraints are investment funds for re-equipping the railways in particular.

2. Operational

97. Operational constraints relate largely to the issue of an effective mechanism for regulating international road traffic on two levels. The first is the need to ensure that pavement damage costs are recovered with monies recycled into road maintenance; the other is equitable distribution of traffic with Zambia and Zimbabwe and effective enforcement of regulations, particularly those related to overloading of vehicles.

D. Transit traffic cooperative arrangements

98. No significant cooperative arrangements of a subregional nature exist between Botswana and other countries, except technical working groups under the auspices of SATCC covering railways, roads, road transport and civil aviation.

II. LESOTHO

A. Importance of transit trade

99. The Kingdom of Lesotho is completely surrounded by South Africa. The country's economic performance is thus closely linked to that of South Africa. This situation is compounded by the fact that Lesotho adheres to both the SACU and CMA. South African currency is legal tender in Lesotho and because of the country's close trade ties Lesotho is shielded from the acute foreign currency problems that other countries in the region experience.

100. Lesotho's major exports are mohair, wool and clothing. The three account for 60 per cent of export earnings, with mohair alone accounting for 24 per cent. Labour to South African mines is also an important service export. Lesotho also exports some diamonds. The country has a limited manufacturing base and imports most of its requirements for food, beverages, tobacco and machinery.

101. Lesotho's major trading partners are South Africa and the countries of the European Union. The country also trades with the Americas, European countries outside the EU, Asia and Oceania. Trade with other African countries beyond SACU is marginal. Lesotho is a member of SADC but, like Botswana, does not belong to the PTA.

B. Transit regimes

1. Routing and distribution of traffic

102. All of Lesotho's export and import traffic is routed through South Africa. Being completely surrounded by South Africa, Lesotho does not use other SADC port or transport systems. Lesotho has no railway line; all international traffic is handled by road or by South Africa Railways.

2. Transit infrastructure and facilities

103. Lesotho's transit infrastructures and facilities are as follows:

Rail: Lesotho has no railway system

Roads: Lesotho's roads link with major South African trunk roads

Waterways: Lesotho has no waterways significant in international trade

Ports: There are no port facilities in Lesotho as the country is land-locked.

Communications: Communications in Lesotho are fairly well developed with international IDD facilities. Telecommunications facilities are provided by the Department of Telecommunications under the Ministry of Transport and Communications. Lesotho has one international airport, King Moshoeshoe II airport.

Container depots: With the proximity of adjacent facilities in South Africa, Lesotho has no internal container depots. Despite several

feasibility studies, plans to establish an ICD in Maseru have been frustrated by poor donor response. Questions of the viability of such a facility have been raised.

3. Suppliers of transit services

104. Lesotho has a relatively undeveloped road transport capacity compared to other BLNS countries. The road industry is dominated by South African operators. However, a number of operators are grouped under the Road Transport Operators Association. Lesotho has a publicly owned freight company, the Lesotho Freight Company Limited. Clearing and forwarding services are provided by the private sector which also has a Clearing and Forwarding Association. Lesotho has a national carrier which provides only domestic and regional services.

4. Legal framework and institutional arrangements

105. Within the framework of SACU, various sectoral protocols have been drawn up including one related to provision of transport services. Lesotho is also a signatory to the Memorandum on Road Transport with South Africa. Apart from national legislation on roads and civil aviation, no other legal or other transport agreements are in place. Lesotho, like other SADC countries, also operates under the general guidelines set by SATCC for transport at the level of the region.

5. Government transit policies

106. The Ministry of Transport and Communications is responsible for overall transport regulation and administration including formulation of transport policies. Lesotho does not have a transport policy blueprint.

6. Formalities, procedures and documentation

107. Procedures, documentation and formalities in Lesotho are governed by the provisions and practices within SACU.

C. Transit constraints

1. Physical

108. Lesotho does not have serious physical transport constraints.

2. Operational

109. The most acute operational constraint in transport is the weak national transport fleet and the dominance of South African operators. To redress this situation, a deliberate policy of financing, training and strengthening the managerial and operational skills of local operators is needed.

D. Transit traffic cooperative arrangements

110. Cooperative arrangements in place in transport are those related to SACU and the memorandum on transport.

III. MALAWI

A. Importance of transit trade

111. Being a largely rural agricultural economy, Malawi's economy is highly dependent on foreign trade. Malawi has no significant minerals; nearly all exports are agricultural related. Tobacco is the major export crop, accounting for 78 per cent of total exports. Others are tea, sugar, groundnuts, rice, cotton, some coffee and pulses. Tobacco, tea and sugar together account for 90 per cent of total domestic exports and the country's major foreign exchange earnings. Imports include: consumer goods; plant, machinery and equipment; construction and building materials; parts, tools and other appliances; and commodities for intermediate and final consumption.

112. Malawi's direction of trade is largely towards European countries and North America. The United Kingdom, United States, Japan and Germany together account for about 56 per cent of exports. The Netherlands is also important. With respect to imports, about 37 per cent come from South Africa, while others are from the United Kingdom, Japan, Germany and the Netherlands. Malawi sources sizeable imports from the PTA area, about 11 per cent. Malawi is a member of both SADC and the PTA.

B. Transit regimes

1. Routing and distribution of traffic

113. The bulk of Malawi's traffic goes by road since the closure of the country's traditional rail routes, on the Nacala line to the Mozambican port of Nacala and the Sena line to the port of Beira, also in Mozambique. The Nacala line was reopened in late 1989 and is now handling some international traffic but the Sena line remains closed.

114. Malawi has four international access routes currently operational. The first is the route via the Mwanza/Zobue borders (Malawi/Mozambique through the Tete province of Mozambique to the Nyamapanda Cuchamano border (Zimbabwe/Mozambique border) through Zimbabwe and back to Mozambique at the Forbes/Machipanda (Zimbabwe/Mozambique border) and on to the Mozambique port of Beira. This is Malawi's shortest route to the sea. It, however, involves crossing three international borders with all the attendant customs and other formalities. Because of the security situation in Mozambique, road vehicles using this route operate in a convoy system under military escort.

115. The second route is the road through Zambia and Zimbabwe to the South African port of Durban. This also involves three border crossings - Mwami/Mchinji (Zambia/Malawi), Chirundu (Zambia/Zimbabwe) and Beitbridge/Messina (Zimbabwe/South Africa). This is the longest route at over 3,000 kilometres. A subroute southward involves moving Malawi's imports by rail from South Africa to Zimbabwe then transshipment to road transport in Harare for onward movement to Malawi, either via the Tete Corridor or through Zambia.

116. The Nacala route provides the third option. It involves all rail movement from Malawi through Malawi Railways (MR) crossing the border at Nayuchi then on to Mozambique Railways (CFM-North) and the Port of Nacala.

This is Malawi's shortest route to the sea. However, the poor track condition and ongoing rehabilitation works reduce train speeds, affecting the frequency of trains and consequently the capacity of the route.

117. The fourth and most complex route is the Malawi Northern Transport Corridor (NTC) to the port of Dar-es-Salaam in Tanzania. This alternative route was developed at a cost of about US$ 120 million with massive donor support.

118. The NTC is a multi-modal route involving rail, lake services and road transport. It has three subrouting options. The first option forms the backbone of the NTC. It involves the use of rail in Malawi to the Port of Chipoka on the southern tip of Lake Malawi, then lake services to the northern port of Chilumba. From here cargo is transshipped to road vehicles for the short distance to the next railhead at Mbeya where the cargo is moved by rail through the jointly owned Tanzania-Zambia Railway Authority (TAZARA) on to the port of Dar-es-Salaam. This option involves three transshipment stages; from rail to lake at Chipoka, lake to road at Chilumba and road to rail at Mbeya.

119. The other sub-option involves road transport from Malawi to the railhead at Mbeya then railway transport to the port of Dar-es-Salaam. This involves only one transshipment at Mbeya. The third option is the all-road one through Kaporo/Kasumulu (Malawi/Tanzania).

120. A summary of the distribution of Malawi traffic for 1991 is shown in the following table.

Border post	Imports	Exports	Total
	(thousand tons)		
Mchinji (Zambia-Zimbabwe to South African Ports)	866	91	957
Mwanza (Tete Corridor through Zimbabwe to Beira Port and Harare railhead)	45	10	55
Kaporo (Dar-es-Salaam Port)	122	33	155
Nacala (All rail to Nacala Port)	23	13	36
Total	1 056	147	1 203

Source: Economic Report 1992 - Office of the President and Cabinet - Economic Planning and Development, Malawi.

2. Transit infrastructure and facilities

121. Malawi's transit facilities include rail, waterway and road systems.

Rail: Malawi Railways has a route length of 789 km internally and to the border with Mozambique at Nayuchi and the border with Zambia at Mchinji. There is also a link to the southern tip of Lake Malawi at Chipoka. The

railway system has 814 wagons with about 70 per cent availability, 32 passenger coaches, 51 locomotives and 4,512 employees.

Road: Road links comprise more than 100 km of road from Blantyre following parallel to the lake up to the border at Kaporo to link up with the Tanzanian and TANZAM highway at Mbeya to the port of Dar-es-Salaam. The other route is the road from Blantyre to the border at Mwanza on towards the Tete Corridor and the port of Beira, about 150 km being within Malawi. The main road from Blantyre-Lilongwe to Mchinji on the border with Zambia is about 470 km long. Malawi has no international road links with Mozambique.

Waterways: Malawi has a large lake, almost 500 km in length from the southern port of Chipoka to the northern port of Chilumba. A newly commissioned container vessel operates the Chipoka-Chilumba leg. It has a capacity of 64 TEUs and a projected capacity of at least 4,600 TEUs per year. In addition, the two ports have been modernized to meet the handling requirements of the container depot. During 1991, lake services handled about 19,000 metric tons of traffic.

The Malawi Northern Corridor to Dar-es-Salaam port in Tanzania was developed as a contingency alternative route for Malawi's international traffic. Under a special agreement with Tanzania, Malawi has exclusive transit cargo areas known as Malawi Cargo Centres (MCC) which store Malawi cargo in transit. One MCC in Mbeya and another in Dar-es-Salaam offer both dry cargo and wet cargo storage and handling facilities. The Mbeya MCC has an estimated throughput of 225,000 metric tons per year.

Ports: Malawi has two ports on Lake Malawi, at Chipoka and Chilumba. As transshipment ports, they have limited long-term storage capacity. The ports currently operated by Malawi Railways are to be transformed into an autonomous operation intended to improve efficiency.

Communications: Communications facilities in Malawi are fairly well developed. Telecommunications facilities are operated by the Department of Telecommunications under the Ministry of Transport and Communications. Malawi has potentially two international airports, Chileka Airport in Blantyre, the former international airport now handling domestic traffic, and Kamuzu International Airport (KIA) in Lilongwe which operates as an autonomous commercially oriented entity.

Container Depots: Malawi has a number of container depots operated by private clearing and forwarding companies. Among the large ones are two facilities operated by the major clearing and forwarding companies, AMI and MANICA in Blantyre, and another two in Lilongwe, also owned by the same two companies. Under a consortium of clearing and forwarding agents led by MANICA, there are plans to establish a central ICD at Kanengo in Lilongwe. Funding constraints have inhibited quick realization of this project despite the fact that some funding has already been mobilized by the consortium internally. Given Malawi's difficult international access, ICDs would go a long way towards speeding up transit times.

3. Suppliers of transit services

122. Transit services in Malawi are supplied by a number of organizations. Malawi Railways Limited based in Limbe operates the railway system and lake services. There is a joint venture road haulage company between the Government and private sector, the Malawi International Transport Company (MITCO). Malawi also has a number of large international haulage companies, notably, SABOT Hauliers, GDC, Unitrans, Trans Africa Transport, Wheels of Africa and others. A strong indigenous haulage industry also exists. In terms of industrial organization, Malawi has one of the strongest road haulage interest groups, the Road Transport Operators Association (RTOA).

123. Clearing and forwarding is done within the private sector. Major C&F agents include: MANICA Freight services, AMI, Walford Meadows, Burlington Express. These companies tend to have branches throughout southern Africa. There are also indigenous C&F agents. There is a Clearing and Forwarding Association which takes care of the interests of members and maintains dialogue with Government.

124. Malawi has a unique situation whereby a company, Malawi Cargo Centres Limited (MCCL), jointly owned by the Government and the private sector, has been set up to operate the Northern Corridor. MCCL is responsible for handling traffic on the route as well as managing the transshipment facilities at Mbeya and Dar-es-Salaam.

125. The Malawi Export and Import Routes Limited (MEIRL) was set up by the private sector to provide the business community with logistic and advisory support regarding international access routes.

126. Although Malawi has a Shipper's Council on paper, this has been inactive over the years although there are plans to revitalize the Council.

127. Air Malawi is the national carrier providing both passenger and cargo services. The airline operates between domestic and regional destinations only and currently does not operate international services.

4. Legal framework and institutional arrangements

128. Malawi has bilateral road transport agreements with Mozambique, Tanzania, Zambia and Zimbabwe. The country also has an internal road transport regulatory framework through a number of acts, namely, the Roads and Road Traffic Act, the Malawi Railways Act, the Civil Aviation Act and the Inland Waterways Act.

129. Malawi Railways has a bilateral operating agreement with CFM-Norte (Mozambican Railways). Malawi is also a party to some regional agreements on road transport.

5. Government transit policies

130. Malawi's policy is to maintain as many viable international access routes as possible and to maintain dialogue with transit countries so as to ensure an uninterrupted movement of the country's international traffic.

131. The Ministry of Transport and Communications is responsible for formulating and administering transport policy as well as advising government. Despite a number of transport studies, Malawi lacks an integrated transport policy.

6. Formalities, procedures and documentation

132. Documentation and procedures inhibit the smooth flow of Malawi's international traffic. On the Northern Corridor, a through intermodal and customs document has not as yet been introduced to overcome the prevailing plethora of documentation needed. The administration of transit charges is a constraint in terms of the best revenue-collecting system and corresponding documentation system.

133. Despite measures to harmonize and simplify import and export documentation and procedures, this is an area where a lot can still be done to streamline further the formalities, procedures and documentation. Malawi has a NTFC based in the Malawi Export Promotion Council. However, this focal point has not been very active and needs to be further strengthened to bring its operations more up-to-date. Funding and expertise have been a constraint.

C. Transit constraints

1. Physical

134. The war in Mozambique has meant that Malawi's international routes through Mozambique have remained unserviced for a long time. The southern route to Sena and the port of Beira is still physically unavailable. The Nacala line, although undergoing some rehabilitation, is in poor physical condition, limiting speeds, frequency of operations and, consequently, capacity.

135. The road from Blantyre along the lakeshore to Kaporo was not designed to carry the heavy traffic now using it and so has deteriorated considerably. It is a single-lane road with narrow bridges not designed for frequent two-way traffic. The mountainous terrain also makes this route very difficult to traverse.

136. Some of Malawi's physical constraints arise from the poor state of the roads in neighbouring transit countries notably, Mozambique, Tanzania and Zambia. Port capacities and facilities at Chipoka and Chilumba likewise need to be upgraded in terms of handling and storage facilities to cater for the demands of growing traffic.

2. Operational

137. Malawi has a considerable number of operational problems. The situation in Mozambique means that train movements on the Nacala line are restricted to day-time operations only with military escorts. There are also problems of inadequate locomotives and wagons on both the Malawi and Mozambique systems. Poor communication makes wagon monitoring and control and their effective utilization difficult.

138. Malawi, like other countries in the region, is administering the standardized transit system of road charges agreed upon under the PTA. However, Tanzania charges higher rates than those agreed upon. There has been a recurrent problem of high transit charges through the Tete Corridor in Mozambique which involves immigration fees, road charges, military escort fees and other charges. These have recently been revised upward by Mozambique with little prior notification or consultation. Currently, the charges exceed US$ 300 per round trip per vehicle.

139. Despite the existence of bilateral road transport agreements, practices in transit countries used by Malawi change frequently, often to the detriment of Malawi's international traffic.

140. The complexity of the Northern Corridor also poses a number of operational constraints largely owing to multiple transshipment on the route. This also pones problems of documentation and customs control from one mode of transport to another.

141. Overloading and control thereof is a major constraint on Malawi's trunk roads.

D. Transit traffic cooperative arrangements

142. Malawi has a significant and unique transit traffic cooperative arrangement with Tanzania. Under the Northern Corridor Agreement, Tanzania provides transit facilities for Malawi in Tanzania in the form of MCCs. Under this arrangement, Malawi traffic transiting the port of Dar-es-Salaam moves under a transit bond which is not cash based. Once Malawi cargo is in the MCCs, it falls under the jurisdiction of Malawi authorities and not Tanzania customs.

143. This system offers a number of advantages, among them improved security for Malawi cargo, reduced demurrage charges, direct control of the cargo by Malawi, removal of the burden of a financial bond and subject, to the performance of transport systems, quicker transit times. Malawi can also negotiate preference treatment and concessional rates for its cargo as a result of this agreement.

144. Malawi is a signatory to the PTA Harmonized Road Transit Regime. The regime seeks to harmonize road transit charges by replacing charges at the national level - related to road licence, toll fees, entry fees and others - with a uniform through transport charge. The agreed rate is US$ 8 per 100 km for HGVs with more than three axles and US$ 3 per 100 km for rigid chassis HGVs of up to 3 tons. In practice, the system has encountered a number of problems as some countries demand cash payment in foreign currency, while others use coupons and yet others accept only cash but not travellers cheques. The system has been under review jointly by the PTA and SATCC to address these concerns.

IV. SWAZILAND

A. Importance of transit trade

145. Swaziland belongs to both SACU and the RMA. Swaziland is also the only SACU country which is a member of the PTA. Like other countries in southern Africa, the Kingdom of Swaziland is also a member of SADC. Swaziland has a high export concentration; sugar is the main export item, accounting for nearly 33 per cent of total exports. Together with wood pulp, the two command half of total exports. Other exports are fruit and vegetables, canned fruit, meat and meat products, and some minerals, mainly asbestos, coal and diamonds.

146. Major imports are: machinery and transport equipment; manufactures, minerals, fuel and lubricants; food and live animals, chemicals and chemical products, and animal and vegetable oils and fats.

147. Swaziland's major trading partners are overseas, mainly in Europe and the Far East. South Africa is a major trading partner, largely as a result of the SACU arrangements. Swaziland's trade with other SADC and African countries is marginal.

B. Transit regimes

1. Routing and distribution of traffic

148. Swaziland's international transport system comprises roads and railways. The international road network is made up of the main east-west route which runs from Ngwenya on the western border with South Africa through the Mbabane-Manzini highway. From Manzini the road forks into two routes: the northern route to Siketi and on to Mozambique via Lomahasha border and the southern route which joins South Africa's N2 route to Durban via the Lavumisa border. Swaziland also has other road links with South Africa.

149. The Swaziland Railway (SR) system is made up of the northern line linking Komati port in South Africa and Mpaka in Swaziland; the southern line which provides a direct link between Matsapha, the industrial centre and the South African port of Richard's Bay and the older Kadake line via Matsapha and Mpaka which links with the Mozambican Railway System (CFM-S) to the Mozambican port of Maputo. This is also known as the Goba line.

150. The bulk of Swaziland's exports, mostly consisting of sugar, is through the port of Maputo. About 77 per cent of the export traffic is through Maputo while the rest is through South Africa, mainly Richard's Bay. For imports, 62 per cent come through South Africa with the balance through Mozambique.

Swaziland routing of overseas traffic

(in thousand tons)

	Total	South African ports			Mozambique ports		
		Road	Rail	Total	Road	Rail	Total
Exports	981	-	229	229	-	752	752
Imports	64	-	40	40	-	24	24
Total	1 045	-	269	269	-	776	776

Source: SATCC Project No. 0.0.8 - Preparation of a Regional Transport Operations Plan - SATCC, April 1990.

2. Transit infrastructure and facilities

151. Swaziland's transit infrastructure and facilities include:

Rail: Swaziland Railways is linked to Spoornet and CFM-Sul. The system has 371 kilometres of rails. The railway was originally run by Mozambique Railways, then by South African Railways and was taken over by Swaziland Railways in 1985. Most of the traffic, 80 per cent, is through-traffic from north to south.

Road: The main road network in Swaziland is 1,362 kilometres in length. Trunk roads link Swaziland to the ports of Durban and Richard's Bay in South Africa and Maputo in Mozambique. The distance from Mbabane, the capital, to Maputo is about 225 km, while that to Durban is about 480 km.

Waterways: Swaziland has no waterways used for international traffic.

Ports: Swaziland has no ports of its own.

Communications: Swaziland's communications system is fairly well developed and the country has international telecommunications links. Swaziland has one international airport at Matsapha about 30 minutes drive from Mbabane. Swaziland's mountainous terrain renders airport construction difficult.

Container depots: Container depots are privately owned. Swaziland has had long-term plans to construct an ICD at Matsapha, its industrial hub. Following an appraisal study by DANIDA in late 1991, Swaziland now plans to go ahead with construction of the ICD from internal resources. Donor response to the project has been very weak.

3. Suppliers of transit services

152. Swaziland Railways Limited (SR) provides railway services. Road transport services are provided by private road transport companies. There are large international transport companies, mainly South African transport operators, based in Swaziland as well as local operators. The road operators

are grouped under the Road Transport Operators Association. Road transport regulation and licensing is the responsibility of the Road Transportation Board. There are a number of private C&F agents whose interests are articulated through an association. The national carrier, Royal Swazi Airways Corporation, operates regional services throughout most of southern Africa.

4. Legal framework and institutional arrangements

153. SR has operating agreements with Spoornet and CFM-Sul. A large proportion of SR's wagons and locomotives are leased from Spoornet.

154. Swaziland is a party to the Memorandum of Understanding on Road Transport with South Africa. Other legal and regulatory arrangements regarding transport come within the framework of the broader SACU agreement.

5. Government transit policies

155. As a member of SADC, Swaziland had sought to reduce dependence on South Africa through increased utilization of the Mozambique port of Maputo. These efforts were frustrated by the operational constraints on the Maputo Corridor emanating from the situation in Mozambique.

6. Formalities, procedures and documentation

156. Thanks to the uniformity within SACU arrangements, there are no serious problems with respect to documentation and procedures.

C. Transit constraints

1. Physical

157. The main Mbabane-Manzini highway posed a major constraint on traffic flows as a result of the increase in its use. A solution is coming as this road is now being converted into a dual carriageway.

158. SR lacks adequate locomotives and wagons of its own and so spends considerable sums of money hiring such facilities from South Africa.

2. Operational

159. Swaziland's major transit constraints lie with the operation of the transport system through Mozambique. Major problems are security of cargo, loss of cargo and earlier problems with productivity at the port of Maputo. However, recently port efficiency had improved considerably and security situation was also better.

160. New levels of transit traffic recently created by Mozambique are certain to affect adversely Swaziland's road transport operations through Mozambique.

161. Unlike other BLNS countries, Swaziland is both a member of SADC and the PTA. However, the provisions of SACU makes it difficult for a member to provide preferential treatment to a non-member of SACU, which is the essence of the PTA Treaty. Swaziland was thus caught between the benefits of its

membership in SACU and the difficulty of implementing the various protocols under PTA. The BLNS countries, perhaps with the exception of Lesotho, owing to its peculiar circumstances, had sought to broaden and diversify their trade base away from South Africa towards other trading partners; however, this had stalled owing to a lack of institutional capacity to assess the implications of such a move and their policy implications or to devise meaningful strategies for putting appropriate mechanisms into place.

162. The stringent quality-control provisions put in place by South Africa to regulate the road transport industry had put considerable pressure on Swaziland operators, particularly the local ones. Most of them could not operate in South Africa, thus increasing South African operators market share. This problem has also affected operators in the other BLNS countries.

D. Transit traffic cooperative arrangements

163. Apart from bilateral arrangements with Mozambique and those within SACU, there are no other subregional agreements with an impact on Swaziland's international trade.

V. ZAMBIA

A. Importance of transit trade

164. Zambia has one of the highest export concentration regimes. One mineral, copper, accounts for 90 per cent of total exports and earnings. Other mineral exports include zinc, lead and cobalt. Zambia generates surplus electricity which is an important export destined for the neighbouring countries of Botswana, Zimbabwe and Zaire. Other exports are tobacco and metal-fabricated products, largely cables. Europe and Japan together receive about 60 per cent of the country's exports. Other destinations are India and the United States.

165. Major imports are capital goods, fertilizers, iron and steel, crude oil and manufactures. The United Kingdom, Germany, Japan and South Africa are the source of about half the imports. Others come from the Middle East, largely crude oil, the United States and Zimbabwe.

166. Zambia belongs to both SADC and PTA. The headquarters of PTA is in Lusaka, the capital of Zambia. In recent years, trade between Zambia and other PTA countries had grown largely because of the PTA clearing house mechanism for settlement of trade transactions.

B. Transit regimes

1. Routing and distribution of traffic

167. Zambia has one of the most diverse international traffic routing systems in the subregion, involving both road and railway links. The country has access to six SADC ports and potentially a seventh, including Lobito in Angola, beyond the South African ports which the country also utilizes. Zambia has rail and road links to the ports of Dar-es-Salaam in Tanzania; Beira, Maputo and Nacala in Mozambique; Lobito in Angola; Walvis Bay and the South African ports of Durban and East London.

168. Zambia has two railway systems. The jointly owned TAZARA which runs from New Kapiri Mposhi in Zambia to the port of Dar-es-Salaam in Tanzania crossing the border at Mbeya. New Kapiri Mposhi is the interchange between Zambia's own line, Zambia Railways (ZR), and TAZARA. From there, ZR links the country's industrial heart, the Copperbelt through the midlands to Lusaka the capital city, through the southern farming belt to Livingstone. To the north, along the Copperbelt, ZR is connected to SNCZ (Zairean Railways) onward to CFB (Benguela Railways in Angola) onto Lobito port. This route is currently inoperational owing to the civil unrest in Angola. To the east there is a railhead at Mchinji which links with the MR system and provides a potential link to Nacala. This route is currently not being utilized. The southern route passes through Victoria Falls (Zambia-Zimbabwe border) and continues on to Bulawayo where there are two alternatives to accessing the South African ports of Durban, Port Elizabeth and Capetown. One is through the BR system at Plumtree/Ramokqwebana via Spoornet or Beitbridge/Messina on to South Africa. The other is through Bulawayo on to Harare and the Mozambican port of Beira.

169. The road routes include: the TANZAM highway which runs parallel to TAZARA on to the Zambia-Tanzania border (Nakonde/Tunduma) and the port of Dar-es-Salaam; the road from the Copperbelt through Lusaka (Great North and Great South roads) to Chirundu the border with Zimbabwe and on to Harare. From Harare, there are two options: either the South African ports via Beitbridge or the Mozambican port of Beira via Machipanda. This can also involve a road/rail combination from Zambia via Chirundu to the transshipment point with NRZ at Lion's Den in Zimbabwe. Another option is the road to the south via Livingstone across the ferry at Kazungula on to Francistown and Gaborone in Botswana then to South Africa. Yet another road option is from Livingstone to the ferry at Katima-Mulilo on to Wenela in Namibia. This can involve through road transport to Walvis Bay or transshipment at Grootfontein with TransNamib (Namibian Railway System). Little international traffic uses this route.

International freight flows

(in thousand tons)

	Dar-es-Salaam	Beira	Lobito	Botswana	Other	Total
Exports	438	80	-	104	157	779
Imports	479	13	-	382	25	899
Total	917	93	-	486	182	1 678

Source: Appraisal of proposed project for the establishment of dry ports in Zambia (DANIDA, January 1990).

2. Transit infrastructure and facilities

170. Zambia's transit infrastructure includes:

Rail: Zambia has two railway systems, Zambia Railways (ZR) and TAZARA. ZR runs the length of the country, from the Copperbelt in the north bordering Zaire to Livingstone in the south, at the border with Zimbabwe. The railway has a route length of 1,278 kilometres. It has 6,701 wagons and 71 locomotives and 84 passenger coaches. ZR employs 8,784 workers. ZR is interlinked to SNCZ (Zairean Railways) to the north and NRZ (Zimbabwe Railways) to the south. Like most railways in the subregion, ZR hires wagons and locomotives from Spoornet (South African railways) to supplement the railway's own needs. These are paid for in foreign currency.

The other railway is TAZARA which is jointly owned and operated by the Governments of Tanzania and Zambia. TAZARA has a route length of 1,860 kilometres from New Kapiri Mposhi in Zambia, the interchange with ZR, to the port of Dar-es-Salaam. The railway has 1,998 wagons, 100 passenger coaches and 83 locomotives. It employs 6,616 workers from both countries. The headquarters of TAZARA is in Dar-es-Salaam, Tanzania.

TAZARA has many unique features. Although its construction was spurred largely by political considerations to avail Zambia of access to the sea, its operation since being commissioned in 1976 offers a basis for cooperative arrangements between a land-locked and a transit country which other countries might emulate. As a joint investment between the two countries the railway is owned on an equal basis. Among its advantages is that it operates in the two countries as a single through-system from Dar-es-Salaam to New Kapiri Mposhi under one management. Secondly, unlike the East African railways, it has the same 1,067 mm gauge track as all the southern African railways, not only ensuring through-traffic but also allowing utilization of rolling stock of other railways.

Road: Zambia has five major trunk roads important for international trade. To the south, there is the road link from Lusaka, through Kafue to Chirundu, on the border with Zimbabwe, a distance of about 200 kilometres. This provides access to Zimbabwe, the Mozambican port of Beira and South Africa. Another route to the south is from Lusaka to Kafue and on to Livingstone, and the border with Zimbabwe and Botswana, a distance of about 550 kilometres. The link with Botswana involves a ferry crossing at Kazungula.

To the north, there are also two major links. One is from Lusaka to the Copperbelt on to Zaire's Shaba Province, a distance of about 450 km. The other is the TANZAM highway from Lusaka through New Kapiri Mposhi to Nakonde and Tunduma, the border with Tanzania, a distance of about 1,000 km. The TANZAM highway continues through Tanzania up to the port of Dar-es-Salaam. This is known as the Great North Road.

To the east, lies the Great East Road, from Lusaka, across the Luangwa suspension bridge to Chipata and on to Mwami and Mchinji, and the border with Malawi, a distance of about 650 km.

Zambia has no direct road links with Angola. The road from Lusaka to the west and the provincial capital, Mongu, is about 1,000 km long. There are plans to extend this road for a direct all-weather access link with Angola. There is a link with Namibia through the Caprivi Strip but this is a poor gravel road. It is the same south road from Lusaka to Livingstone after which it branches off to Katima-Mulilo, where there is another ferry crossing into Namibia. All of Zambia's trunk roads are asphalt paved and in fairly good condition. There are plans to rehabilitate the trunk roads and work is in progress on the Lusaka-Livingstone road.

Waterways: Zambia has three major rivers, the Zambezi, Kafue and Luangwa but these rivers are not navigable throughout their courses and have therefore not been exploited for transportation particularly in terms of international trade.

Ports: Zambia shares Lake Tanganyika to the north with Tanzania and Burundi. The TANZAM highway branches off to Mpulungu port on Lake Tanganyika, Zambia's only inland port. The port is under rehabilitation and handles exports from Malawi, Zambia and Zimbabwe to Rwanda and Burundi and some imports from those countries. The port has a capacity of about 100,000 metric tons. Once operated by a government department, the port is now an autonomous commercial entity, Mpulungu Harbours Corporation.

Communications: Zambia has a highly developed communications system. The country has direct international dialling facilities to most destinations in the world. Zambia is also the hub of the region's satellite connection programme. Telecommunications is managed by the Posts and Telecommunications Corporation (PTC). The country has an international airport, the Lusaka International Airport, and two regional airports at Kitwe on the Copperbelt and Livingstone in the south.

Container Depots: The country has a number of container depots in the industrial centres, i.e. Lusaka and the Copperbelt. These are owned and operated by C&F agents notably, AMI, MANICA, ZAMCARGO, Walford Meadows, and others.

The Government has plans to establish central ICD facilities or "dry ports" in Lusaka and the Copperbelt. For Lusaka, a site has been identified and a detailed feasibility study and engineering drawings made available during a study funded by DANIDA and completed in early 1990. The Government is seeking funds to set up the ICDs. The Government envisages multiple advantages from this development. Among them, easier consolidation of cargo, centralized management of containers leading to a reduction in demurrage charges as a result of quicker transit times, reduced foreign exchange outflow and reduced congestion in ports as a result of through booking of containers.

3. Suppliers of transit services

171. Zambia Railways Limited manages ZR on behalf of the Government, the sole shareholder while the Tanzania-Zambia Railway Authority administers TAZARA on behalf of the two Governments of Zambia and Tanzania. ZR also administers the Mchinji railway spur from Chipata which is linked to the Malawi Railways network.

172. The Government of Zambia has a major involvement in road transport. Contract Haulage Limited (CHL) is a government-owned and operated corporation which provides trucking services for the domestic market and international trade. CHL has a fleet of about 500 30-ton vehicles and operates services to South Africa, Botswana, Zimbabwe, Mozambique, Malawi, Tanzania and Zaire. In addition, Zambia has large private sector haulage industries made up of such companies as, Kabwe Transport Ltd., A.M. Motors, Sable Transport and others. The private operators are grouped under two associations, the Truckers Association of Zambia (TAZA) and the Federation of Zambian Road Hauliers (FEDHAUL).

173. The Zambian Government is also involved in the C&F business through ZAMCARGO Ltd. which is a major C&F company with operations throughout southern Africa as well as in Europe. The private sector has a strong presence in the C&F business. Notable companies are: MANICA (Zambia) Ltd., AMI (Zambia) Ltd. and Walford Meadows. There are also a number of Zambian C&F companies. Most of the major C&F companies belong to the Clearing and Freight Forwarders Association of Zambia which promotes the interests of members, administers the code of conduct and maintains a dialogue with Governments and other associations in neighbouring countries as necessary.

174. The National Airports Corporation (NAC) administers the airports of Lusaka, Kitwe and Livingstone on an autonomous commercially oriented basis. The national airline, Zambia Airways, provides air transport services which include cargo. However, the role of air transport in international trade remains marginal. Zambia Airways operates domestic, regional and international services.

4. Legal framework and institutional arrangements

175. Zambia has bilateral road transport agreements with Botswana, Zimbabwe, Malawi and Tanzania. These agreements cover such aspects as licensing, traffic sharing, transit charges, axle load limits and enforcements.

176. Zambia Railways has bilateral railway working agreements with the national railway of Zimbabwe, Spoornet (South Africa) and TAZARA. These agreements cover such aspects as inter-hire accounting of wagons and locomotives, interchange arrangements, joint utilization of equipment and through railway rates and through traffic booking, among other issues. In addition, Zambia has national legislation to regulate the transport sector. These include: the Zambia Railways Act, the TAZARA Act, the Roads and Road Traffic Act, the Civil Aviation Act and the Inland Water Transport Act.

177. Zambia has in place some special agreements with transit countries, particularly Tanzania, which seek to facilitate the flow of Zambia's international traffic.

178. Under a government-to-government agreement, TAZARA is jointly owned by Tanzania and Zambia. This joint ownership enables Zambian shippers to pay their transport charges up to the port of Dar-es-Salaam in local currency while the final foreign currency transactions are handled by the two central banks. This reduces the burden on the shipper and country of foreign currency prepayment, unlike on other transit routes.

179. Major Zambian shippers such as the mining company, Zambia Consolidated Copper Mines (ZCCM), have their own exclusive areas in the port of Dar-es-Salaam. ZCCM owns and operates the Ubungo copper depot with its own warehouses, handling equipment and labour. Under this special arrangement, Zambia handles its own loading of copper shipments and off-loading of other goods destined for the mines. In this way, the shipper has direct control on the throughput of the cargo.

180. Zambia is host to the headquarters of the PTA and is a party to the PTA Harmonized Transit Charges agreement. However, despite this agreement, which seeks to introduce uniform charges throughout the region, Zambia faces higher charges in Mozambique and Tanzania.

5. Government transit policies

181. The policy of Zambia is to maintain as many viable outlets to the sea as possible. This policy has been vindicated by developments whereby at one time all of Zambia's major outlets to the sea (through Angola, Mozambique and South Africa) were unavailable except through Tanzania to the port of Dar-es-Salaam.

182. However, as more transport routes become available, emphasis is shifting to efficiency considerations based on cost, transit times and overall security of goods. In the new economic environment, routing decisions are increasingly being left to the business community free from government intervention.

183. The Ministry of Communications and Transport and its specialized departments is responsible for formulating and administering transport policy. Zambia does not have an integrated transport policy.

6. Formalities, procedures and documentation

184. Measures are under development at the national level and at the regional level through SADC and PTA to simplify formalities, procedures and documentation. Despite these attempts, border formalities and practices in transit countries remain a constraint.

185. An institutional framework for addressing issues related to import and export procedures as well as documentation and procedures generally has been set up at the national level. This is the Zambia National Trade Facilitation Committee (ZNTFC) based in the Export Board of Zambia. The ZNTFC comprises key institutions such as a central bank, customs, commercial banks, Societé generale de surveillance (SGS), Ministries of trade and finance, chambers of commerce, and C&F agents. ZNTFC meets on a regular basis with a view to addressing transit constraints and proposing measures for consideration by government on simplification of formalities, procedures and documentation.

C. Transit constraints

1. Physical

186. Zambia's physical transport constraints are related to up-grading and rehabilitation of the major trunk roads to cope with increased traffic growth. There are also physical bottlenecks at Kazungula and Katima-Mulilo where replacing of the ferries with bridges would improve links with Botswana and Namibia and also improve traffic flows. The Luangwa bridge on the Great East Road is a suspension bridge with severe capacity limitations. It allows only one vehicle at a time to cross very slowly. This bridge needs to be up-graded. The Chirundu bridge with Zimbabwe is also narrow and can only take a single lane of traffic flowing in one direction at a time; this is a major constraint on a busy route.

187. The Livingstone to Katima-Mulilo road is a poor gravel road and forms a major physical constraint. It needs up-grading. There are other links which are important. Missing altogether is a direct road link with Angola.

188. The Zambia Railways network is old. The roadbed needs up-grading for most of the length and some of the culverts and bridges, such as Kafue railway bridge, are in need of replacement. Both ZR and TAZARA suffer from inadequate locomotives and wagons. This rolling stock constraint affects the physical capacity of the two railway systems.

189. With growing traffic through the port of Mpulungu to Burundi and Rwanda, the Zambian Government had plans to construct a railway spur from TAZARA to the port of Mpulungu. This is a physical missing link.

2. Operational

190. Zambia faces a number of operational constraints affecting international trade. Among them are policies of transit countries with respect to transit charges, licensing of road transport operators and traffic sharing, axle load restrictions and, on some routes, security of cargo.

191. The capacities and operational efficiency of adjoining or contiguous railways has sometimes had an adverse impact on the movement of Zambia's international traffic. Port performance has also been a serious operational constraint.

192. Internally, operational constraints have arisen from limited trucking capacity as a result of low availability owing to old fleets operated by transporters having difficulties in replacing them. These limitations in turn are the result of foreign currency problems and lack of finance. Unlike Malawi and the BLNS countries including South Africa, Zambia has no leasing arrangement for vehicle acquisition. Thus in order to acquire a new vehicle, an operator has either to find internal financing or borrow from commercial banks at exorbitant rates. Maintenance, capacity and availability of spare parts, back-up service and skills form a major operational constraint.

193. The long distances to the sea ports - a minimum of about 1,500 km - poses a major constraint. Although communication facilities are generally good, communication and information flow is a major operational constraint on the international transport routes.

D. Transit traffic cooperative arrangements

194. Bilateral road transport agreements, railway operating agreements and the special arrangements with Tanzania are effective cooperative arrangements. Within the framework of SADC and PTA, there are a number of operational arrangements to which Zambia is a party. These seek to improve the efficiency of the transit transport systems.

VI. ZIMBABWE

A. Importance of transit trade

195. Zimbabwe has a fairly diversified export base. The country also has one of the strongest manufacturing bases in southern Africa outside South Africa. Zimbabwe is both a member of the PTA and SADC. Zimbabwe is also the host of the PTA Clearing House in Harare.

196. Tobacco is Zimbabwe's main export crop, accounting for 20 per cent of exports. Other major exports are ferro chrome and gold. Zimbabwe also exports cotton, sugar, asbestos and iron ore.

197. Zimbabwe's major imports are: crude oil, electricity, machinery, transport equipment and some manufactures. Zimbabwe carries on a considerable trade with South Africa which is a significant partner for both imports and exports. The country also has a trade surplus with other PTA countries with which trade has increased in recent years.

198. Other trading partners are the EU countries, other European countries, Australia, the United States, Japan and other far-eastern countries.

B. Transit regimes

1. Routing and distribution of traffic

199. Zimbabwe's international traffic is carried via South African ports and the Mozambican ports of Beira and Maputo. The country's international access routes are both road and rail. In addition to its own international traffic, Zimbabwe handles considerable volumes of transit traffic for Malawi, Zambia and Zaire.

200. The country's major road routes are those linking Zimbabwe to the neighbouring countries of Mozambique, South Africa, Botswana and Zambia which all converge on the capital city, Harare. There are two road links with Mozambique through the border posts of Nyamapanda/Cuchamano and Forbes/Tete both leading to the ports of Beira and Maputo. The road to the South African ports runs through the Beitbridge border post. These handle Zimbabwe's international trade.

201. There are two road links with Botswana from Harare to Bulawayo, the second largest city, and on to either Plumtree/Ramokgwebana or Pandamatenga/Kazungula into Botswana. These, albeit international roads linking Zimbabwe with South Africa, handle largely regional traffic between Botswana and Zimbabwe.

202. Two road links connect Zimbabwe with Zambia. These are: Harare to the Chirundu border posts with Zambia handling traffic for Zambia, Malawi and Zaire; and the road through Victoria Falls and Livingstone which handles largely regional traffic.

203. Zimbabwe has rail links with Zambia, Botswana, South Africa and Mozambique. The NRZ links with ZR at Victoria Falls/Livingstone. From Bulawayo this line links with the BR system and on to Spoornet (South African railways) at Plumtree. The link from Harare to Spoornet is at Beitbridge/Messina parallel with the main road to South Africa. There are two railway links with Mozambique: from Harare to Chicualacuala connecting with the Mozambican Southern Railway System (CFM-Sul) to the port of Maputo and from Harare to Mutare and on to Machipanda linking with the Mozambican Central Railway System (CFM-Centre) and the port of Beira. The Machipanda line also handles Malawi and Zambia traffic transiting Zimbabwe.

2. Transit infrastructure and facilities

204. Zimbabwe's transit infrastructures and facilities include:

Railways: The National Railways of Zimbabwe (NRZ) is one of the largest railways in the region and pivotal to the ability of other railways to perform efficiently. It is connected directly to the railway systems of Botswana, South Africa, Mozambique and Zambia, namely, BR, Spoornet, CFM and ZR respectively. NRZ has a total route length of 2,759 km, with 12,594 wagons, 381 passenger coaches and 308 locomotives. The railway has a staff strength of 17,654. The headquarters of NRZ is in Bulawayo, Zimbabwe's second largest city.

Road: Zimbabwe's trunk road system, like that of Zambia, is important to the transit traffic of other countries. Zimbabwe handles transit traffic for Malawi, Zambia and Zaire. The major trunk roads link Zimbabwe to South Africa, Botswana, Zambia and Mozambique. There is one link with South Africa, the road from Harare to Masvingo and Beitbridge on to South Africa. Beitbridge can also be reached from Bulawayo. Botswana can be reached via two routes, the main road from Harare to Kadoma on to Gweru and Bulawayo and Francistown in Botswana or via the Bulawayo-Victoria Falls road branching off to Pandamatenga. The links with Zambia are through the trunk road from Bulawayo to Hwange, Victoria Falls and on to Livingstone in Zambia or the road from Harare to Chinhoyi and on to Chirundu, on the border with Zambia. Zimbabwe is linked with Mozambique through two major trunk roads, the Harare-Mutare-Forbes road on to Beira port in Mozambique and the Harare-Nyamapanda road leading up to the Tete Corridor in Mozambique. The country's trunk roads are in fairly good condition and they are all asphalt paved.

Waterways: Zimbabwe has three major rivers, the Zambezi, Limpopo and Mazoe. The rivers are not navigable for trade purposes.

Ports: Being landlocked, Zimbabwe has no ports.

Communications: Although Zimbabwe has a fairly well-developed telecommunications system, its operation in recent years has been less than satisfactory. The design capacity is unable to meet current demand, leading to congestion.

The Harare International airport handles domestic, regional and international traffic. It is currently being rehabilitated with the addition of a new terminal.

Container Depots: Zimbabwe has a number of container depots, both publicly and privately owned. Private facilities belong to major C&F agents such as MANICA, AMI and others. NRZ operates two container depots, at Dabuka and the Lochnivar terminal in Harare.

NRZ intends to convert the Lochnivar terminal into a major dry port. It seeks to establish a company to operate the terminal in partnership with the private sector on a commercially oriented basis. Developments to this end have reached an advanced stage.

3. Suppliers of transit services

205. The National Railways of Zimbabwe is a wholly government-owned corporation which manages the country's railway system.

206. Zimbabwe has no government-owned road transport companies. However, Zimbabwe has a large private sector fleet with about 1,000 vehicles of a 30-ton payload. The hauliers are grouped under the Transport Operators Association. High replacement costs, foreign exchange constraints and poor spare parts supply have meant that Zimbabwe's transport fleet is fairly old. Major road haulage companies include: Unitrans, GDC, Wheels of Africa as well as national operators.

207. The C&F business is in the hands of the private sector. The major companies are similar to those operating in Malawi, Zambia and other southern African countries, namely, MANICA, AMI and Walford Meadows. There are also a number of other C&F agents. The C&F agents have an association that looks after their interests.

208. The national airline, Air Zimbabwe, a wholly owned government company, operates domestic, regional and international services including cargo carriage.

4. Legal framework and institutional arrangements

209. In the road transport sector, Zimbabwe has bilateral road transport agreements with Malawi, Zambia, South Africa and Mozambique. An agreement is under negotiation with Botswana.

210. As a member of both SADC and PTA, Zimbabwe is a party to the agreements and protocols of a regional nature under these two institutions.

211. At the national level, Zimbabwe has national legislation to regulate the transport sector. The legislation includes: the Railway Act, Road Traffic Act and the Aerodromes and Civil Aviation Act.

5. Government transit policies

212. Being a major transit country, the transit policies of Zimbabwe are aimed at serving the needs of transiting countries and also ensuring that the country's own infrastructure is protected from damage and kept in reasonable condition. Zimbabwe has had to pursue these policies bearing in mind the interests of the country, particularly with regard to road transport.

213. Zimbabwe also has a deliberate transport policy of encouraging use of railways for long-haul traffic; this has sometimes been in conflict with the interests of neighbouring countries with which Zimbabwe has bilateral road transport agreements.

214. The country's main outlets to the sea are through Mozambique and South Africa. As a land-locked country, Zimbabwe's policy is to ensure that these routes are accessible and serviceable. To maintain the availability of routes through Mozambique, Zimbabwe has had to commit military troops in Mozambique under special agreement with the Government of Mozambique because of the situation in that country. The Ministry of Transport and Energy is responsible for the formulation and administration of transport policy. Despite a number of transport studies, Zimbabwe does not have an articulated, integrated transport policy.

6. Formalities, procedures and documentation

215. Zimbabwe suffers from cumbersome documentation and other procedures for import and export processing and customs. This is owing in part to the existence of elaborate control and regulatory systems in Zimbabwe covering international trade generally and foreign exchange control, in particular. However, under the Economic Structural Adjustment Programme (ESAP), led by the International Monetary Fund (IMF), there are measures to ease controls and liberalize the economy. A new institution, ZIMTRADE involving government and the business community has been set up to address the whole question of formalities, procedures and documentation as they affect international trade, the aim being to introduce simplified and harmonized trade systems.

C. Transit constraints

1. Physical

216. Physical constraints in transport exist largely regarding railways; there is a need to up-grade the track in some sections and to modernize motive power. NRZ still uses steam locomotives on some sections. Locomotives and wagons are inadequate and these have to be supplemented by hiring from Spoornet.

217. For roads, some trunk roads need rehabilitation in some sections. The Chirundu bridge on the border with Zambia needs to be up-graded.

2. Operational

218. In road transport, operational constraints are linked to an ageing fleet and low availability, particularly regarding locally-owned companies, as well as practices in Mozambique related to transit charges, axle-load restrictions which reduce the payload of trucks, and the security situation in Mozambique.

219. Control of transit traffic with respect to axle loads and enforcement poses an operational bottleneck. This is compounded by inadequate equipment in the form of weighbridges.

D. Transit traffic cooperative arrangements

220. As a member of SADC and PTA, Zimbabwe is a party to a number of subregional strategies and agreements on joint resources mobilization for improvement of transport corridors, and specific agreements for use of certain corridors as well as standards and specifications.

221. Zimbabwe has special agreements with Mozambique at the government and commercial level. To ensure uninterrupted access to Mozambican ports, particularly Beira, Mozambique and Zimbabwe have an agreement whereby Zimbabwe has committed military troops inside Mozambique to safeguard transit routes. At the commercial level, an institution, the Beira Corridor Group (BCG), was set up with the aim of fostering measures to improve the operational efficiency of the port of Beira and corresponding transport systems. Consisting of the business community in Zimbabwe, BCG has a full-time management team which liaises regularly with providers of transport services in both Mozambique and Zimbabwe in order to maintain a high level of operational efficiency.

222. Zimbabwe and Malawi do not share borders but under agreement Malawi traffic to and from Mozambique and South Africa transits Zimbabwe.